

LANDLORD CERTIFICATE

THIS LANDLORD CERTIFICATE (this "Certificate") is executed and delivered as of this ____ day of _____, 2014, by **CITY OF DURHAM**, a municipal corporation having its principal office at City Hall, 101 City Hall Plaza, Durham, North Carolina 27701, and the **COUNTY OF DURHAM**, a subdivision of the State of North Carolina having its principal office at 200 East Main Street, Durham, North Carolina 27701 (collectively "Landlord") unto and for the benefit of **JPMORGAN CHASE BANK, NATIONAL ASSOCIATION**, a national banking association chartered under the laws of the United States of America, having an address at 383 Madison Avenue, New York, New York 10179 (together with its successors and assigns, "Mortgage Lender") and **JPMORGAN CHASE BANK, NATIONAL ASSOCIATION**, a national banking association chartered under the laws of the United States of America, having an address at 383 Madison Avenue, New York, New York 10179 (together with its successors and assigns, "Mezzanine Lender", and together with Mortgage Lender, collectively, the "Lender").

WITNESSETH:

WHEREAS, Landlord is the landlord under a certain Agreement of Lease dated as of October 9, 1987, with Durham Hotel Company, a Delaware Corporation ("DHC") as Tenant, affecting the real property described on Exhibit A hereto (with the property described in Exhibit A comprising the "Hotel Premises"), which Lease was recorded on October 15, 1987 in Book 1408, commencing at page 63, Durham County Registry, the only amendments to which are the First Modification of Lease dated May 19, 1989 and recorded in Book 1535, commencing at page 794, Durham County Registry and the Second Modification of Lease, dated June 1997, and recorded in Book 2348, commencing at page 264, Durham County Registry and the Third Modification of Lease, dated October 6, 2014, and recorded in Book ____, commencing at page ____, Durham County Registry ("Air Space Lease");

WHEREAS, DHC assigned the Air Space Lease to Shaner Hotel Group Properties Two Limited Partnership, a Delaware Limited Partnership ("Shaner Two") effective July 9, 1996, a memorandum of which assignment is recorded in Book 2213, commencing at page 269, Durham County Registry; which results in Shaner Two now being the Tenant under the Air Space Lease.

WHEREAS, Shaner Two assigned the Air Space lease to Shaner SPE Associates Limited Partnership ("Shaner SPE") by Assignment dated as of August 15, 2005, recorded on September 30, 2005 in Book 4967, commencing at page 400, Durham County Registry, which results in Shaner SPE now being the Tenant under the Air Space Lease.

WHEREAS, Shaner SPE shall in connection with the closing of the Mortgage Loan (as herein defined) and any Mezzanine Loan (as herein defined) assign its leasehold interest under the Air Space Lease to Shaner Durham LLC ("Shaner Durham"), a wholly owned subsidiary of Shaner SPE.

WHEREAS, Shaner Durham has requested that (i) Lender make a loan to Shaner Durham in an amount of \$77,090,000 (the "Mortgage Loan"), secured by, inter alia, that certain Leasehold Deed of Trust, Assignment of Leases and Rents and Security Agreement made by Shaner Durham to Chicago Title Insurance Company, as trustee for the benefit of Mortgage

Lender, dated as of October 31, 2014, covering all of Tenant's right, title and interest in and to the Air Space Lease and the leasehold estate created thereby (the "Deed of Trust") and (ii) Mezzanine Lender make one or more mezzanine loans to Shaner Mezz III LLC secured by a pledge to Mezzanine Lender of 100% of the direct and/or indirect ownership interests in Shaner Durham (the "Mezzanine Loan", and together with the Mortgage Loan, the "Loans"); and

WHEREAS, each of Mortgage Lender and Mezzanine Lender require that Landlord enter into this Certificate, without which Lender and Mezzanine Lender would not make the Loans.

NOW, THEREFORE, in consideration of the sum of Ten (\$10) Dollars, and for other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, Landlord agrees as follows:

1. Capitalized terms used herein shall have the meanings set forth in the Air Space Lease
2. Landlord hereby consents to the transfer of Shaner SPE's leasehold interest pursuant to the Airspace Lease to Shaner Durham, and hereby recognizes and confirms that upon completion of such transfer Shaner Durham shall be the "Tenant" (as defined in the Air Space Lease) for all purposes under the Air Space Lease.
3. Landlord hereby acknowledges that Shaner Durham has granted the Deed of Trust on Shaner Durham's interests in the Hotel Premises.
4. All of the leasehold mortgage protection provisions contained in the Air Space Lease, including but not limited to Article 33, and all other provisions inuring to the benefit of mortgagees or their successors and assigns are hereby incorporated into this agreement by reference and restated and confirmed by Landlord for the benefit of Lender, its successors and assigns.
5. Landlord acknowledges that while any of the Mortgage Loan or the Mezzanine Loan remains outstanding, the term "Institution" as used in the Air Space Lease shall be revised as follows:

"Institution " means (a) Mortgage Lender, (b) Mezzanine Lender, or (c) one or more of the following: (i) a real estate investment trust, bank, saving and loan association, investment bank, financial institution, entity in the business of investing in commercial real estate loans or owning commercial real estate properties, a mezzanine lender, insurance company, trust company, commercial credit corporation, pension plan, pension fund or pension advisory firm, mutual fund, government entity or plan that satisfies the Eligibility Requirements, (ii) an investment company, money management firm, a "qualified institutional buyer" within the meaning of Rule 144A under the Securities Act of 1933, as amended, an institutional "accredited investor" within the meaning of Regulation D under the Securities Act of 1933, as amended, or similar entity that, in any case, satisfies the Eligibility Requirements; (iii) a trust or other entity to which the financing for the Hotel is transferred by an Institution for purposes of a securitization, or (iv) any entity controlling or controlled by or under common control with any of the entities described above. "Eligibility Requirements" means that such entity is regularly engaged in the business of

making or owning commercial real estate loans and/or operating commercial properties similar to the Hotel Premises.

6. Landlord hereby certifies to Lender, its successors and/or assigns that (a) Landlord is the current owner of (i) the fee estate in the Hotel Premises, and (ii) all of the rights and benefits of the "Landlord" under the Air Space Lease; (b) all rent and additional rent and other sums due and owing Landlord under the Air Space Lease as of the date hereof are current and not in arrears; (c) to the best knowledge of the undersigned Tenant is not in default in the performance of any covenant, agreement, obligation or condition contained in the Air Space Lease; and (d) the Air Space Lease is in full force and effect.

7. Landlord hereby acknowledges that: (a) each of Mortgage Lender and Mezzanine shall be deemed to be a "Recognized Mortgagee" for all purposes under the Air Space Lease; and (b) the Deed of Trust on the Leased Premises securing the Mortgage Loan shall be deemed to be a "Recognized Mortgage" (as such term is defined in the Air Space Lease) for all purposes under the Air Space Lease, (c) Landlord has not mortgaged the fee simple estate in the Hotel Premises and there are currently no fee simple mortgages, deeds of trust or other security interests encumbering the fee estate in the Hotel Premises; and (d) each of Mortgage Lender and Mezzanine Lender shall have the right and time to cure a Default (as such term is defined in the Air Space Lease) as set forth in Section 33.03(b) of the Air Space Lease.

8. Landlord further acknowledges that upon a termination of the Air Space Lease in connection with a rejection in bankruptcy, the provisions of Section 33.04 of the Air Space Lease shall be applicable.

9. Unless otherwise notified by Lender, copies of any notices to Lender shall be sent to Lender at the following address:

JPMorgan Chase Bank, National Association
383 Madison Avenue, 31st Floor
New York, New York 10179
Attention: Joseph E. Geoghan
Facsimile No.: (212) 834-6029

with a copy to:

JPMorgan Chase Bank, National Association
SPG Middle Office/CIB
383 Madison Avenue, 26th Floor
New York, New York 10178
Attention: Nancy S. Alto
Facsimile No.: (917) 546-2564

and
Kelley Drye & Warren LLP
200 Kimball Drive
Parsippany, New Jersey 07054

Attention: Paul A. Keenan
Facsimile No.: (212) 808-7897

Landlord acknowledges that this Certificate satisfies all notice requirements in the Air Space Lease with respect to the Mortgage Loan and the Mezzanine Loan.

10. Landlord acknowledges the Air Space Lease may be assigned by the Mortgage Lender if and when it becomes the tenant under the Air Space Lease or the Mezzanine Lender if it owns all of the direct or indirect ownership interests in Shaner Durham. In such case, Mortgage Lender or Mezzanine Lender shall provide written notice to Landlord. This provision applies to the Air Space Lease as a whole, and does not authorize subletting of any portion of the Air Lease premises.

11. Subject to Landlord's rights to condemnation proceeds as defined in Article 9 of the Air Space Lease, the Lender shall be entitled to all condemnation awards which are not used to restore the premises to be applied to the reduction of the Loans. As to the interpretation of the proceeding sentence, any ambiguity or conflict with the Air Space Lease shall be controlled by the terms of the Air Space Lease.

12. Landlord hereby acknowledges and consents to the Mezzanine Loan and agrees that Mezzanine Lender shall be permitted to foreclose its pledge of the direct or indirect ownership interests in Shaner Durham without any consent of Landlord or the payment of any fee to Landlord. This acknowledgment and consent does not imply that Landlord is either privy to or bound by the obligations of Shaner Durham to the Mezzanine Lender, except as Landlord has directly obligated itself in a duly executed writing.

13. This Certificate shall be binding upon, and may be relied upon by, the parties, their successors and/or assigns, and the terms hereof shall inure to the benefit of the parties, their successors and/or assigns.

IN WITNESS WHEREOF, Landlord has executed this Certificate in two counterparts,
each of which shall be deemed originals, under seal as of the day and year first above written.

CITY OF DURHAM

ATTEST:

City Clerk

By: _____ (SEAL)
Thomas J. Bonfield, City Manager

ATTEST:

COUNTY OF DURHAM

Michelle Parker-Evans, County Clerk

By: _____
Michael D. Page, Chairman
Durham County Board of County
Commissioners

(SEAL)

NORTH CAROLINA
ACKNOWLEDGMENT BY CITY OF DURHAM

I, a Notary Public in and for the aforesaid County and State certify that _____ personally appeared before me this day, and acknowledged that he or she is the _____ City Clerk of the City of Durham, a municipal corporation, and that by authority duly given and as the act of the City, the foregoing instrument was signed in its corporate name by its _____ City Manager, sealed with its corporate seal, and attested by its said City Clerk or Deputy City Clerk. This the _____ day of _____, 2014.

Notary Public

My commission expires:

NORTH CAROLINA
ACKNOWLEDGMENT BY COUNTY OF DURHAM

I, a Notary Public in and for the aforesaid County and State certify that _____ personally appeared before me this day, and acknowledged that he or she is the _____ County Manager of the County of Durham, and that by authority duly given and as the act of the County, the foregoing instrument was signed in its corporate name by _____, sealed with its corporate seal, and attested by said _____. This the _____ day of _____, 2014.

Notary Public

My commission expires:

EXHIBIT A

The Hotel Premises

THAT SPACE LYING FROM AND ABOVE A HORIZONTAL PLANE DRAWN AT ELEVATION 426.0 FEET ABOVE MEAN SEA LEVEL (N.G.V.O.1929). HEREINAFTER CALLED THE "LOWER LIMITING PLANE", AND LYING BELOW A HORIZONTAL PLANE DRAWN AT ELEVATION 525.00 FEET ABOVE MEAN SEA LEVEL (N.G.V.O.1929). HEREINAFTER CALLED THE "UPPER LIMITING PLAN" AND WHICH LOWER LIMITING PLANE AND UPPER LIMITING PLANE INTERSECT THE VERTICAL PLANES DETERMINED BY THE FOLLOWING BOUNDARY:

BEGINNING AT A TACK SET IN A LEAD PLUG LOCATED AT THE INTERSECTION OF THE NORTHERN BOUNDARY OF THE RIGHT-OF-WAY OF CHAPEL HILL STREET AND WESTERN BOUNDARY OF THE RIGHT-OF-WAY OF FOSTER STREET:

RUNNING THENCE ALONG AND WITH THE NORTHERN BOUNDARY OF THE RIGHT-OF-WAY OF CHAPEL HILL STREET NORTH 88 DEGREES 52 MINUTES 45 SECONDS WEST 205.31 FEET TO A TACK SET IN A LEAD PLUG: THENCE CONTINUING WITH THE NORTHERN BOUNDARY OF THE RIGHT-OF-WAY OF CHAPEL HILL STREET SOUTH 89 DEGREES 12 MINUTES 01 SECOND WEST 6.70 FEET TO A TACK SET IN A LEAD PLUG: THENCE LEAVING SAID RIGHT-OF-WAY AND RUNNING NORTH 00 DEGREES 55 MINUTES 17 SECONDS EAST 74.22 FEET TO A POINT: RUNNING THENCE SOUTH 88 DEGREES 52 MINUTES 45 SECONDS EAST 212.00 FEET TO AN EXISTING TACK IN A LEAD PLUG LOCATED IN THE WESTERN BOUNDARY OF THE RIGHT-OF-WAY OF FOSTER STREET: RUNNING THENCE ALONG AND WITH THE WESTERN BOUNDARY OF THE RIGHT-OF-WAY OF FOSTER STREET SOUTH 00 DEGREES 55 MINUTES 17 SECONDS WEST 74.00 FEET TO A TACK SET IN A LEAD PLUG BEING THE POINT AND PLACE OF BEGINNING AND CONTAINING 0.36 ACRES MORE OR LESS AS SHOWN ON THE PLAT AND SURVEY ENTITLED "PROPERTY OF THE CITY OF DURHAM". AS PREPARED BY DERWARD W. BAKER & ASSOCIATES, P.A., DATED 6/16/87. REVISED 9-10-87. REVISED 10-8-87. AND RECORDED IN PLAT BOOK 115, PAGE 173, DURHAM COUNTY REGISTRY:

and also shown on plat of survey entitled, "Survey for Shaner Hotel Group Properties Two Limited Partnership", dated May 7, 1996 and prepared by Derward W. Baker and Associates, P.A., R.L.S., to said plats and surveys reference is hereby made for a more particular description of same. Note: The rights-of-way of Foster Street and Chapel Hill Street and the former right-of-way of Roney Street vary in width.

Together with the Easement rights set forth in Section 36.02 of that certain Agreement of Lease between City of Durham and County of Durham, Landlord, and Durham Hotel Company, Tenant, dated October 9, 1987, recorded in Book 1408, page 63, Durham County Registry; as amended by First Modification of Lease dated May 19, 1989, and recorded in Book 1535, page 794, Durham County Registry, and subject to the reservation of Easement set forth in Section 36.03 in that certain Agreement of Lease (as amended) to which reference is made above.